## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 INT-08 SCI-06 SCEM-02

TRSE-00 L-03 SS-20 NSC-10 DOTE-00 OMB-01 H-03 DRC-01

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R 272059Z DEC 73 FM AMEMBASSY PANAMA TO SECSTATE WASHDC 9391

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EO 11652: N/A

TAGS: ENRG, ETRN, PN

SUBJ: CIVIL AVIATION - AIR PANAMA'S REQUEST FOR ASSISTANCE

IN SOLVING FUEL PROBLEM

REF(A) STATE 248152; (B) 249507; (C) PANAMA 6581, (D) 6713 (E) 6761

SUMMARY: AIR PANAMA GENERAL MANAGER CALLED AT EMBASSY TO REPORT THAT, NOTWITHSTANDING ASSISTANCE RECEIVED TO DATE AND REDUCED FLIGHT SCHEDULES, FUEL AVAILABILITIES AT MIAMI WILL BE EXHAUSTED AFTER JANUARY 4 ALTHOUGH PRODUCTION OF PANAMA (TEXACO) REFINERY CUT BACK BECAUSE OF REDUCED CRUDE AVAILABILITIES, INTERNATIONAL AIRLINES ARRE RECEIVING ADEQUATE SUPPLY OF FUEL LOCALLY, AND GOVERNMENT HAS NOT BEEN FORCED TO REGULATE DISTRIBUTION BY PRIVATE PETROLEUM COMPANIES. END SUMMARY

1. AIR PANAMA GENERAL MANAGER ROSAS CALLED ON CHARGE REGARDING FUEL PROBLEM AT MIAMI AND PROVIDED COPY OF COMPANY'S FIVE-YEAR CONTRACT WITH ESSO TO SUPPLY JET FUEL AT MIAMI AND OTHER LOCATIONS. HE INDICATED FUEL AVAILABILITIES (CHEVRON) AT MIAMI NOW SUFFICIENT TO LAST LIMITED OFFICIAL USE

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ONLY THROUGH JANUARY 4 (POSSIBLY ONE OR TWO DAYS MORE)

EVEN THOUGH AIRLINE HAD CUT BACK FLIGHTS FROM SEVEN WEEKLY TO SIX EACH WEEK. CHARGE EXPRESSED THE HOPE THAT PROVISION OF MILITARY JET FUEL TO INTERNATIONAL AIRLINES (REFTEL A) WOULD HELP TO ALLEVIATE PROBLEM FOR AIR PANAMA.

- 2. ROSAS SAID THAT ON DECEMBER 21 COMPANY LAWYERS HAD PRESENTED REQUEST TO OFFICE OF PETROLEUM ALLOCATION FOR REVISION OF BASE PERIOD FORMULA TO PROVIDE MONTHLY FUEL SUPPLY OF 180,000 GALS. AT MIAMI AND 60,000 GALS. AT NEW YORK BASED ON THIRD QUARTER 1973 USAGE RATHER THAN 1972 BASE PERIOD. (COMPANY FLEW ONLY ONE DC-9 TO MIAMI IN 1972 COMPARED TO CURRENT USE OF TWO 727'S WHICH PROVIDE DAILY SERVICE TO MIAMI, INCLUDING FOUR ONWARD FLIGHTS WEEKLY TO NEW YORK WHICH COMMENCED JUNE 1, 1973).
- 3. EMBASSH HOPES THAT STEPS TAKEN (REFTELS A AND B) WILL HELP AIR PANAMA OVERCOME FUEL SHORTAGE PROBLEM. DESPITE CUTBACK IN LOCAL TEXACO REFINERY OUTPUT, WHICH WILL AMOUNT TO 30 PERCENT AS OF JANUARY 1 BECAUSE OF REDUCED AVAILABILITY OF CRUDE (PANAMA 6421), INTERNATIONAL AIRLINES HAVE NOT SUFFERED INCONVENIENCES, AS YET, IN PANAMA. THERE IS AN EMERGING SHORTAGE OF AVIATION GAS FOR PROPELLER-DRIVEN AIR-CRAFT. PETROLEUM COMPANIES ARE SUPPLYING FUEL WITHOUT GOVERNMENT REGULATION. GOP RECENTLY CREATED A NATIONAL SUPPLY COMMISSION, HEADED BY FORMER MINISTER OF EDUCA-TION, WHICH HAS OBJECTIVE OF ASSURING ADEQUATE SUPPLY OF IMPORTED COMMODITIES AFFECTED BY WORLD SCARCITY, WITH EMPHASIS ON PETROLEUM. COMMISSION PRESIDENT CITED A PANAMA MISSION TO THE MIDDLE EAST TO NEGOTIATE PURCHASE OF PETROLEUM AS ONE OF THE MEASURES TAKEN BY THE COMMISSION. IT APPEARS GOVERNMENT DOING WHATEVER POSSIBLE TO HELP ASSURE ADEQUATE SUPPLY OF PETROLEUM PRODUCTS WITH-OUT HAVING TO REGULATE QUANTITIES DISTRIBUTED BY LOCAL COMPANIES. DANIELS

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## Message Attributes

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